

STATEMENT OF WILL WHITEHORN,
PRESIDENT,
VIRGIN GALACTIC
BEFORE THE HOUSE AVIATION SUBCOMMITTEE
FEBRUARY 9, 2005

Chairman Mica, Ranking Member Costello, and other Members of this distinguished Subcommittee, on behalf of Virgin Galactic, thank you for the opportunity to testify today. Virgin Galactic appreciates the chance to explain how, with an unwavering commitment to safety, we plan to make available and affordable an adventure of a lifetime. As we move forward to make this vision a reality, we look forward to working closely with this important Subcommittee and Administrator Blakely, with whom I am privileged to join on today's panel of distinguished witnesses.

I am Will Whitehorn, the President of Virgin Galactic. I also am Group Corporate Affairs and Brand Development Director for Virgin Management Limited. I have nearly 30 year of aviation experience having previously worked for British Airways and Thomas Cook before joining Virgin in 1987.

The history of Virgin Galactic goes back to the mid-1990s when Sir Richard Branson identified that new technologies in composite materials, rocketry and computing could easily lead to the development of safe, economical reusable spacecraft in the future. At that time, we registered the Virgin trademark in the area of space travel. In 1999, we registered the Virgin Galactic name.

Virgin has a long history of working with Burt Rutan going back to the early 1990s. When Mr. Rutan informed us he was building a spaceship for a private customer to win the X Prize, we made a commitment to him that we would be prepared to develop a commercial version of SpaceShipOne should he be successful. Over the last year we have negotiated with Paul G. Allen, the visionary and financier behind SpaceShipOne, to buy the rights to use his technology. Following the successful conclusion of these negotiations, we signed a \$21.5 million deal for the use of that technology and developed a \$100 million investment plan to build up to five spaceships at Burt Rutan's factory in Mohave, California. The plan for the ships themselves is being developed by Mr. Rutan to a specification created by Virgin Galactic.

Safety obviously is our first priority. Suffice it to say that we have considerable experience in issues regarding passenger carriage and an unwavering commitment to safety. Virgin currently operates three separate airlines around the world which together carry over 50 million passengers a year. The best know of these is Virgin Atlantic Airways whose main business is operating scheduled services between the United Kingdom and a variety of destinations in the United States, as well as flights to the Far East, Africa and Australasia. We have an unblemished safety record having never lost a single passenger in over 21 years of operation. All of our airlines also are profitable without ever having received any state subsidy. We also operate the UK's largest long-distance rail company which also has an unblemished safety record despite carrying 35 million passengers per year at speeds over 125 miles per hour.

Virgin Galactic plans to start operating base tourism flights in 2008. It is envisaged that the astronauts that we carry will have a two-and-a-half hour trip with up to 20 minutes in space and a maximum altitude of around 100 miles above the Earth's surface. Our current plan is to begin operations in Mohave and then develop a second site in another location that could possibly be either Florida, Texas or New Mexico. The flights will be what is known as sub-orbital. The pioneers who become astronauts with Virgin Galactic will initially pay \$200,000 for the trip but the Company hopes to reduce the cost over time as the business develops. Our long-term goal is to develop commercial space tourism into an orbital business which could in the future carry payloads as well as people into orbit. Burt Rutan has expressed his wish to put the first private spacecraft on Mars. It may be several more years before I get the chance to address the Subcommittee on that subject!

Mr. Chairman, let me conclude by again thanking you, Ranking Member Costello, and other Subcommittee Members for the opportunity to testify today. Virgin Galactic looks forward to working with you and your staff. I am pleased to respond to your questions today and to keep you apprised of relevant developments as we prepare to take-off.